United States Environmental Protection Agency Criminal Investigation Division Investigative Activity Report

Case Number 0506-0026 Case Title: Ferguson Enterprises Inc. Subject of Report: Interview of and Detroit Housing Commission. Investigative Activity Report Reporting Office: Detroit, MI, Resident Office Activity Date: February 26, 2010

Reporting Official and Date:

RAC

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RAC

RAC

RAC

Approving Official and Date:

SAC

18-MAR-2010, Signed by:

RAC

RAC

02/26/2010 - U.S. EPA CID Special Agent (SA) and HUD OIG SA interviewed Director, Detroit Housing Commission (DHC), and Director of Development, DHC, regarding allegations of contaminated soils being transported and disposed of at the Garden View Estates (GVE) site which is controlled by DHC.

On February 26, 2010, U.S. EPA CID Special Agent (SA) and HUD OIG SA interviewed Director, Detroit Housing Commission (DHC), and Director of Development, DHC, regarding allegations of contaminated soils being transported and disposed of at the Garden View Estates (GVE) site which is controlled by DHC. After being informed of the identity of the interviewing agents and the purpose of the interview, and provided the following information:

DETAILS

asked asked to explain the legal ownership of the GVE site. explained that the DHC and HUD have a "Declaration of Trust" which is a document that spells out the understanding and covenant which DHC has with the federal government over the use and funding of the site. The Declaration of Trust supplements the Annual Contributions Contract (ACC) between HUD and the DHC. The title to the property for GVE was transferred to the DHC by the City of Detroit and in turn the DHC will be transferring portions of the property to individual purchasers of the residential units which are being constructed. The DHC also holds a ground lease with the developers of certain portions of the property. In this situation DHC remains the owner of the ground and the developer owns the structures which they build.

and both agreed that DHC is building the various structures on the site on the behalf of HUD. pointed out that HUD has oversight of the funds being used for the construction of the site. The HUD funds are placed in a trust controlled by the DHC, and it is these funds which are used to pay the developers of the site. added that it is clear that HUD has an interest in the project.

went on to say that the legal mechanism for the construction of the site is the ACC, as they are administering HUD funds for the project. The mission of the DHC is to serve the residents of the City of Detroit and accomplish this by using HUD funds. Every time DHC closes a real estate transaction at the site they have to amend the ACC to include that transaction. commented that from day one DHC and HUD have had oversight of the project.

DHC first learned that soils had been brought onto the GVE site during a meeting with Habitat staff

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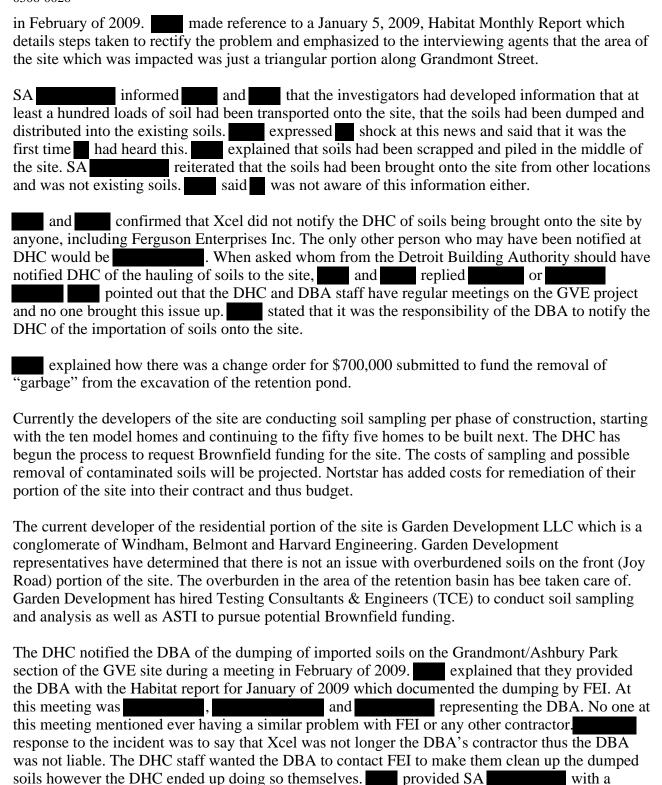
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SA asked if the DHC staff were aware of any instances where the contracted security firm was

binder of documents related to this incident. (See Attachment)

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not at the GVE site. remarked that had been out at the site many times at night and there was no security present. The official entry gate to the site is at Tireman Street and this is where the security officer is supposed to be. A sign in log is supposed to be maintained by security at this location.

ATTACHMENT

DHC Documents re: Soil Dumping

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